

## Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. **Provide your answers in a different color font.**

**This conversation was a big eye opener.**

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? **Our manager has had no formal training, only what GM offers in Global Connect.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Create a culture of building relationships where our team members love their jobs, and our customers love our team members.**
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? **No.** What is your current Repair Order FTFR? **83.7%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90/10**
5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? **Every parts person has the ability to offer 10% discount, anything more is on the honor system to ask the manager.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **No one but the parts manager can change or override pricing.**
7. Are you at Retail pricing for Internal? **No, cost plus 10%.** Who established your Internal parts pricing policies? **Previous parts manager.** Are they current? **Not sure.**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? **Yes** If not, when was the last time you petitioned the OE for retail reimbursement? **We do it yearly.**
9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. **Yes** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes.** What does this look like? **They go off the 60 day open RO report.**

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **No**. If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? **No**.
11. What is your retail pricing strategy for your Parts department? **Matrix pricing that the previous parts manager set**. How often do you check to see whether your pricing goals are being achieved? **Manager does not track**.
12. How often do you audit your dealership's Parts web page **Never**? How often are coupons, hours of business, etc., reviewed and updated? **Someone else updates hours, GM uploads national coupons and specials automatically**.
13. Do you have a Parts online eStore? **No**. How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? **We have a BDC that forwards the inquiries to us**.
14. What sales training is available to Parts personnel? **None**. If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **Never**.
15. Do you have a process to offer accessories to 100% of your New and Used customers? **Yes**. If so, what does it look like? **We have an accessories wall in the showroom. We rely on sales to sell them**. If not, why not?
16. What would help you sell more accessories? **Have more room to store certain accessories like roof racks, bike racks, customers don't want to wait**.
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? **Yes** How often are they reviewed? **We have a very small wholesale business and the return rate is about 3%**.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$7000 per day/4 counter people = \$1750. (Actual was \$4035)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? **We have RIM**. How are variances communicated to the accounting office? **Check the negative on hand report**.
20. Are lost sales being tracked in your DMS? **Yes**. Do you have a common definition that all counter people understand? **Yes**. What is your definition? **If we don't have the part in stock and can't generate a sale, we call that a lost sale**.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customer to respond to our BDC calls to set an appointment**.

22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? **RIM requires us to hold parts for 15 months.** What is the current dollar value of your obsolescence? **\$24,199.44.**
23. What is your phase in/phase out strategy? **We follow Rim.** How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **Check to see how many times we have used a suggested part from RIM.**
24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary? **-1**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Training on the DMS Summary report.**